

Meeting Notes for February 18, 2004
St. Mary Rehabilitation Working Group
Fish Wildlife & Parks Regional Office, Great Falls.

Welcome and Opening Remarks

Lt. Governor Ohs thanked everyone for taking the time to travel to Great Falls for this meeting. Congressman Rehberg thanked members of the Working Group for their efforts and thanked Lt. Governor Ohs for his leadership in bringing attention to the critical needs of the St. Mary Facilities. Representative Rehberg spent the rest of the day touring the St. Mary's system with representatives from USBR.

Review Notes from January 14 Working Group Meeting

Paul Azevedo (State Coordinator for the Rehabilitation of St. Mary's) reviewed notes from the last Working Group meeting. There were no corrections or additions. Notes will become part of Working Group record and posted on Group's web site.

Progress Reports

- Lt. Governor Ohs met with USBR Commissioner John Keys in Helena on January 16, 2004. They discussed some of the issue surrounding rehabilitation of St. Mary's. It is clear that limited resources are a real challenge for the Bureau. Working Group has to recognize this and view it as one more challenge to overcome. Lt. Governor also met with Maryanne Bach, Regional Director for USBR. They discussed their different perspectives on some of the outstanding issues and problems. There are no easy solutions to be found. Both parties agreed to continue working together to better define the issues and explore possible solutions. Working Group needs to stay focused and come up with the best solutions it can for addressing the challenges that lay ahead.
- Lt. Governor met with Blackfeet Tribal Business Council on February 3 in Browning. Lt. Governor felt it was a very good meeting and feels the Tribal Council is supportive of the rehabilitation efforts. However, they do have concerns that the Working Group needs to address. Tribal Council wants to be seen as full partners in the process and Working Groups needs to be sure they are included as full partners.
- Paul issued a correction for the Winter 2004 edition of the Milk River Watershed News. The article entitled "*Montana's Approach to Rehabilitate the St. Mary Facilities*" failed to mention the support received from Senator Baucus's office. Both Senator Baucus and Senator Burns will carry the Working Group's legislation in the Senate. Representative Rehberg will introduce legislation in the House.
- Representatives of DNRC and the Joint Board of Control met with USBR representatives in Billings on January 29. Purpose was to discuss USBR's engineering information related to replacing the aging St. Mary structures. Meeting was very product and USBR was thanked for their hospitality.
 - Paul distributed a handout listing the reports provide to DNRC, as well as the information requested by the State, but not provided by USBR.
 - Engineering information was limited to returning canal to 850 cfs capacity and bringing it up to current standards.
 - USBR's cost estimates include 10% for unknowns, 25% for contingencies, and 37% for non-contract costs (i.e. NEPA, oversight, etc). Cost estimates do not include TERO.
 - There is no Executive Summary of engineering information. Paul handed out the text portion of USBR O&M Trip Reports as a substitute.
- John Tubbs reported that he is still waiting to hear back from Governor's office on request for \$100,000 in State funds. Money would be used as a bridge until federal funds become available (hopefully?) in January 05. Kay Blatter mentioned that the Joint Board of Control has asked Max Maddox to lead effort to raise funds from counties and communities in the basin. Bear Paw Development Corp. was identified as a possible entity to hold and manage the local funds.

- St. Mary web site is scheduled to be up and running by February 27. Site address will be <http://www.dnrc.state.mt.us/stmarycover.htm>. Site is intended to provide basins residents with information about St. Mary's and the progress of the Working Group. Meeting notes will be posted after Working Group has reviewed them.

Working Group Representation

We had a very good discussion on Working Group representation.

- Membership in the Working Group was divided into Basin Members, and Ex Officio Members. Basin Members will be representatives from the basin and will be responsible for struggling with the tough decisions and providing input to the Lt. Governor. Ex Officio members have a role in the process, but they will function more as a sounding board or as an advisory board to Basin Members. Representatives from federal agencies can only serve as Ex Officio members because of federal restrictions on lobbying.
- Reiterated the need to keep the group down to a manageable size. Given the size of the basin, 12 to 15 Basin Members seemed appropriate.
- Some felt that having County Commissioners on the group simply because they were County Commissioners was not justified. There are probably more qualified people who could fill the limited number of Basin Member seats. County Commissioners need to be kept informed, but they should serve as Ex Officio members.
- Others felt that an exception should be made for Dolores Plumage (Commissioner from Blaine County). She has shown real interest by being present at all the meetings so far. Her District includes Ft. Belknap. Randy Perez is recognized as the official representative of the Ft. Belknap Tribes.
- We reviewed a list of folks that had already been identified as a representative by their interest group and a list of folks who had expressed interest in serving on the Working Group. Names of several other good candidates were also floated.
- Eventually came up with the following list of potential representatives:

Basin Members	Exofficio Members
Deby Murch - Glasgow Division, JBC	Carmen Luna – USFWS, Bowdoin Wildlife Refuge
Dolores Plumage - Blaine County Commissioner	Douglas Davis - BIA-RMRO
Gary Anderson – Chinook City Council	Jerry Kelso - US Bureau of Reclamation
Jeff Jensen – Municipal H2O Supply (Havre, Chinook, Harlem)	John Tubbs - DNRC
Kevin Salsbery - Malta Division, JBC	Kay Blatter - Chairman, JBC
Larry Mires – Two Rivers Growth and Glasgow Economic Development	Kim Falcon - Senator Baucus
Marko Manoukian – Phillips County Economic Growth Council	Larry Anderson - Senator Burns
Matt McCann – Irrigation, Harlem	Mike Waite - Representative Rehberg
Max Maddox - Chinook Division, JBC	Rep. Jeff Pattison – Glasgow (HD95)
Mike Barthel - Walleyes Unlimited	Rep. John Musgrove - Havre (HD91)
Mike Tatsey - Blackfeet Tribal Water Resources	Rep. John Witt – Carter (HD89)

Basin Members	Exofficio Members
Paul Tuss - Bear Paw Development Corp	Senator Glenn Roush – Cut Bank (SD43)
Randy Perez – Ft. Belknap Water Resources	Senator Kim Hansen – Harlem (SD46)
Randy Reed - Milk River Project Development Assoc.	
Steven Page – Irrigation, Glasgow	

Review Draft Federal Legislation

We reviewed a draft of Federal Legislation that will be submitted to Congressional Delegation staff by the end of February.

- Legislation is strictly an appropriations act seeking federal funds to finish off studies needed before construction can begin. Also looking for funding to address emergencies (i.e. structural failure) that may arise between now and completion of construction.
- On behalf of the Blackfeet Tribe, Mike Tatsey requested that the purpose of the legislation be expanded to include \$500,000 in funding to complete a condition assessment of the Blackfeet Irrigation Project. Blackfeet project gets water from Two Medicine, Badger, and Birch creeks. It is completely separate from St. Mary's.
 - Tribal Council supports rehabilitation of St. Mary's, but are facing questions from their own constituency. Tribal irrigators want to know why Tribal Council supports a project that does not deliver direct benefits to the Tribe.
- Question was raised as to whether or not it was better to address the Tribe's concerns in the Compact arena. Mike Tatsey felt this legislation was a better opportunity for them. It would allow the Tribe to address the concerns of their constituents and gather information that will allow them to identify some of their needs prior to Compact negotiations.
- John Tubbs was asked if it was possible to include Tribe's request in the Draft legislation. John felt it was certainly possible. We need to recognize that this is a big political issue for the Blackfeet Tribal Council. Although it is sort of side issue to the St. Mary's rehabilitation, finding a way to address their request would be an important building block in the partnership.
- Mike said Tribe does not want St. Mary project to get bogged down in Compact negotiations. Tribe trying to draw a fine line between the two.
- John T. stated that there is always going to be a fine line between those issues that should be addressed as part of St. Mary's rehab and those that should be addressed in Compact negotiations. The two are very closely tied together. Working Group needs to stay aware of, and keep abreast of, Compact progress.
- There was discussion on including some of the other water related issues in the basin in the legislation. Others felt it was more important to stay focused on St. Mary's. Other issues will not matter if we can't get the water over here.
- John T. brought attention to the following parts of the proposed legislation.
 - Section 4(a) specifically identifies the State of Montana as entering into a cooperative agreement with the USBR. The State is taking the lead role and the Working Group is the conduit through which the State will exercise the responsibilities inherent in the role.
 - However, Section 4(b) gives the State the option to transfer the responsibilities to a local group in the basin that has the legal and organizational capacity to assume the non-federal lead role on the project.
 - Section 4(c) gives the State the opportunity to contract all the work associated with the studies to a private 3rd party firm. State does not plan to develop a new bureaucracy.

- Section 5 allows Blackfeet Nation to be lead cooperator with USBR in addressing Tribal environmental concerns associated with operation of St. Mary's. Tribe has already done a lot of work on this issue with USBR. Section 5 allows them to remain in the driver's seat.
- Working Group approved submission of legislation as proposed to Congressional Delegation with inclusion of request by Blackfeet Tribe to include \$500,000 for a study of Tribal irrigation project.
- Any additional comments must be submitted to DNRC by Friday, February 20th. Congressional offices have indicated that the legislation must be submitted to them by the end of the month.

Public Comments

- Working Group is the most logical group to handle the (federal) appropriation once we get it. It has the most diversified group of people working in all different interests.
 - Response: Working Group currently does not have the legal status to enter into a cooperative agreement with USBR. State should be viewed as a placeholder for the Working Group. State will fill the role, but take direction from the Working Group.
- Joint Board of Control has the legal status to fill the role, but not the staff. Irrigators are the major part of the whole thing.
 - Response: Section 4(b) gives the State flexibility to transfer the non-federal lead role to a local group in the basin that has the legal and organizational capacity to assume the responsibilities. In the long run, it is in the basin's best interest to develop the capacity to run this project.
- Website should contain factual information about the project. It will provide ample opportunity to get more people informed.
- A summary article of today's meeting should be sent to all the newspapers and radio stations. It is important to always keep people aware of what is going on.
- Include links to Congressional offices on website.
- It is important to the success of rehab that all beneficiaries, (irrigators, municipalities, fish & wildlife, and recreation) be involved in the administration of this project. The beneficiaries need to come together as a group and develop the capacity to run the project including hiring and firing consultants. To be successful we need to have the buy-in of everyone in the basin. It needs to be a community event.
- Working Group will need to be very vigilant in overseeing this project. When it comes to contracting, everybody out there wants your money. Engineering and consulting costs are escalating. The Working Group is going to have to keep a tight rein on the budget.

Action Items

- Get web site up and running.
- Summary report to newspapers and radio stations
 - We had some discussion on who should write the summary. It was suggested that each member of the Working Group should take turns writing the article. Lt Governor suggested that Paul should write articles and email them to Working Group members who would then hand deliver them to the local news outlets.
- Need to check if a short video or power point presentation can be placed on web site.
- Draft Process Agreement will be sent out in mail. Working Group members need to look at it closely and come to next meeting prepared to discuss it.
- Additional comments on legislation are due by the end of the week (Feb 20).
- DNRC and Blackfeet Tribe will be meeting with USBR on Feb 27th in Billings to brainstorm on options for moving project forward.

Next Meeting

The next Working Group meeting will be held on Wednesday, March 17 at the Chinook Motor Inn. Possible agenda items include:

- Updates:
 - Funding raising
 - Meeting with USBR
 - Legislation
- Working Group members should identify alternates
- Draft Process Agreement
- Critical path analysis